



CLIENT ALERT EMPLOYMENT & LABOR

**Expanded Unemployment Compensation Benefits Under the CARES Act**

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Many businesses view the CARES Act's changes in unemployment compensation as a key consideration in the decision to stay open or to close – they are willing to stay open even if it means incurring some losses in order to take care of and retain their employees, but if the increased scope of available unemployment compensation will adequately support their personnel, that may tilt the balance in favor of at least a partial closure.

Here is a summary of the expansion of unemployment compensation – but note that while the increased costs are being funded by the federal government, individual states will still administer their unemployment compensation programs. Exactly how that will unfold remains to be seen.

**Key Changes in Eligibility for Unemployment Compensation**

- Individuals who have exhausted their unemployment compensation entitlements will still be covered.
- Business owners, self-employed individuals, independent contractors, gig workers, and those with a limited work/wage history will be eligible.
- Unlike current requirements, an individual, even if able to work in an available job, will be eligible for unemployment compensation if the individual is not working for one of the following reasons:
  - The individual is diagnosed with COVID-19;
  - The individual has symptoms of COVID-19 and is in the process of seeking a medical diagnosis;
  - A household member has COVID-19;
  - The individual is providing care to a household member with COVID-19;
  - A child or other person in the household for which the individual is the primary caregiver is unable to attend school or daycare due to COVID-19;
  - The individual is unable to reach work due to a quarantine;
  - The individual is unable to attend work because a healthcare professional advised the individual to self-quarantine;
  - The individual is scheduled to commence employment and does not have a job or is unable to reach the job as a direct result of COVID-19;

- The individual is the sole wage earner in his or her household due to death of the head of household as a result of COVID-19;
  - The individual was required to quit his or her job as a result of COVID-19;
  - The individual's place of employment closed due to COVID-19; or
  - The individual is self-employed, is seeking part-time employment, does not have sufficient work history, or otherwise would not qualify for unemployment benefits under another state unemployment program.
- NOTE: Individuals who are able to maintain employment through telework or who are receiving sick leave or other paid leave benefits are not eligible.

### **Expansion of Coverage and Benefits**

- State unemployment benefits will be extended to a total of 39 weeks. Depending on future events, this period may be further extended.
- All unemployed workers will be entitled to an additional \$600 per week of compensation (even if this takes the employee above their pre-unemployment earnings).
- The usual one-week waiting period for benefits is eliminated.
- Non-profits can be reimbursed for half of what they pay in unemployment compensation.

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*This article represents our best effort to assemble accurate information on an accelerated basis. However, the subject is complex, and many details have been summarized or omitted in the interest of focusing on key points. In addition, the law and the guidance issued by the government is constantly changing. You should not rely on the accuracy or completeness of this information for your business and personal decisions but, rather, should seek updated, personalized legal advice as needed.*

The Wisler Pearlstine team of employment attorneys is ready to address your COVID-19 questions and concerns. Please contact any of us if you have concerns about the impact of COVID-19 in the workplace.

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